# GOVERNMENT OF INDIA
# CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
# LOK SABHA

UNSTARRED QUESTION NO:1373
ANSWERED ON:02.03.2001
AVAILABILITY OF SUGAR IN THE COUNTRY
RAGHUVANSH PRASAD SINGH

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

(a) the availability of sugar in the country at present and the consumption of sugar in the country annually;

(b) the savings likely to be made on the subsidy by discontinuing supply of sugar through the PDS to the families living above the poverty line and the likely burden on consumers as a result of it;

(c) the likely benefit to be accrued to the sugar mill owners annually following slashing of levy on sugar from 40 percent to 15 percent;

(d) the quantum of surplus sugar as against the requirement in the country; and

(e) the manner in which the Government propose to dispose of the surplus sugar?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION ( S SREENIVASA PRASAD )

(a) With the estimated production of 181 lakh tonnes of sugar during the current 2000-2001 season and the carry over stock of 92.97 lakh tonnes of the previous season, the total availability works out to 273.97 lakh tonnes as against the estimated consumption of 162.13 lakh tonnes.

(b) Savings on sugar subsidy will be to the tune of Rs.155.13 crore. The difference between the Retail Issue Price of sugar supplied through Public Distribution System and price of sugar in the open market is marginal. As such, there will hardly be any impact on consumers.

(c) With the change in levy, freesale ratio from 40:60 to 15:85, the sugar factories would now be able to sell 25% more sugar in the open market under freesale quota. Thus, they are expected to get higher realisation on account of price difference in levy and freesale sugar.

(d) After meeting the internal consumption of 162.13 lakh tonnes during the current season out of the toal availability of 273.97 lakh tonnes, the closing stock at the end of the season i.e. on 30th September, 2001 is estimated to be 111.84 lakh tonnes.

(e) The following measures have been taken by the Central Government to tackle the problem of surplus sugar :

1. Export of 10 lakh tonnes of sugar has been allowed.

2. A policy of encouraging stability and reasonable level of sugar prices in the domestic market is being pursued through judicious releases of freesale sugar quotas. Higher releases as compared to corresponding months in the last sugar season have been made.